



STATE PROCUREMENT OFFICE
NOTICE OF REQUEST TO AMEND AN EXEMPTION
FROM HRS CHAPTER 103D CONTRACT

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STATE PROCUREMENT OFFICE
STATE OF HAWAII

TO: Chief Procurement Officer

FROM: Natural Energy Laboratory of Hawaii Authority
Name of Requesting Department

Pursuant to HRS §103D-102(b)(4) and HAR section 3-120-5(d), the Department requests to amend an exempt contract as follows:

1. SPO-007, Exemption Reference (PE) Number: 13-016K

2. Vendor/Contractor/Service Provider Name: The Hallstrom Group, Inc.

3. Describe the goods, services, or construction:

Professional arbitration appraisal services to determine fair market rental rates in accordance with NELHA sublease clause entitled "Determination of rental fees and percentage rental upon reopening of the annual rental" for Destiny Deep Sea Water LLC (Destiny). If the NELHA appraiser and Destiny appraiser are unable to reach agreement on the fair market value of the Destiny property, the sublease clause requires that an appraisal arbitrator be jointly appointed. The exemption is required because the State has a contractual obligation to follow the procedure outlined in the sublease clause and although the State pays for half of the services, it does not make the appointment.

4. Explain in detail what is being amended:

There is a typo on the Term of Contract section in Exemption No. 13-016K form. The end date shown is 3/15/12 and is previous to the start date of 9/24/12. In addition, this request is to extend the end date to 4/15/2013.

5. Amended contract price for this request: \$ No change - \$8,000.00

6. Explain in detail why the amendment(s) are necessary:

The NELHA and Destiny appraisers were not able to reach agreement on the appointment of the third appraiser and arbitrator (The Hallstrom Group, Inc.) until early January 2013. This was in large part due to holiday travel schedules of the arbitrators that were mutually acceptable. Although contractual time limits were not met by NELHA and Destiny appraisers, it was determined that it would be mutually beneficial to avoid legal action and instead give the process more time for completion. The NELHA appraiser was hired under Procurement Exemption N. 13-007K which is valid until 4/15/13. The arbitration agreement has been signed by all 3 arbitration panel members (Destiny and NELHA appraisers and arbitrator), Destiny and NELHA and has a time of performance that ends 4/15/13.

7. Identify the primary responsible staff person(s) conducting and managing this procurement. Appropriate delegated procurement authority and completion of mandatory training required.)

*Point of contact (Place asterisk after name of person to contact for additional information.)

Name	Division/Agency	Phone Number	Email address
Laurence Sombardier	DBEDT/NELHA	327-9585 X244	laurences@nelha.org

*All requirements/approvals and internal controls for this expenditure is the responsibility of the department.
I certify that the information provided is to the best of my knowledge, true and correct.*


Department Head Signature

2/11/13
Date

For Chief Procurement Officer Use Only

Date Notice Posted: 2/19/13

Submit written objection to this notice to issue a sole source contract within seven calendar days or as otherwise allowed from date notice posted to:

state.procurement.office@hawaii.gov

Chief Procurement Officer (CPO) Comments:

This approval is to extend the end date to 04/15/13 and is for the solicitation process only. HRS section 103D-310(c) and HAR section 3-122-112, shall apply (i.e. vendor is required to be compliant on the Hawaii Compliance Express) and award is required to be posted on the Awards Reporting System.

If there are any questions, please contact Kevin Takaesu at 586-0568, or kevin.s.takaesu@hawaii.gov.

☒ Approved ☐ Disapproved ☐ No Action Required


Chief Procurement Officer

4/8/2013
Date